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C O N F I D E N T I A L SECTION 01 OF 03 RABAT 001223

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STATE FOR NEA/MAG

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SUBJECT: PM CLAIMS AND RECEIVES CREDIT FOR SUCCESSFUL TERM

**¶1.** (SBU) Summary: In the customary end-of-term address, Prime Minister Driss Jettou gave parliament an upbeat assessment of his accomplishments since 2002. He focused on political, economic, and social reform, as well as stability and treatment of Berbers. Jettou also touched on ways in which a "culture of human rights" is taking root, backed by vigorous monitoring institutions and robust laws. He conceded that much work remains to be done in key areas including education, health and combating corruption. While press coverage has been largely favorable, opposition parties criticized Jettou, challenging his statistics. Despite some areas of weakness, acknowledged and unacknowledged, Jettou can take justifiable pride in his government's accomplishments over the past 5 years. End Summary.

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Positive Government Scorecard  
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**¶2.** (SBU) In a departure from the tradition of formulaic and general end-of-mandate addresses, Prime Minister Driss Jettou on July 17 delivered to parliament a lengthy (clocked at 100 minutes), results-based, and detailed discourse outlining the achievements of his coalition government since it took office in 2002.

**¶3.** (SBU) Jettou focused the bulk of the remarks on his government's economic accomplishments, arguing that it had met and in many cases exceeded its commitments. He noted efforts to improve Morocco's infrastructure and boost investment in strategic sectors. Jettou argued that Morocco has become the most attractive country for investment in the region, with a four-fold increase during his tenure. He also reviewed a range of positive economic indicators relating to tourism, social housing, construction, and professional training.

**¶4.** (SBU) Jettou highlighted recent political and social reforms undertaken by his government, pointing to the creation of the HACA, the work of the Equity and Reconciliation Committee (IER), legal reforms addressing torture and prisoners, the passage of the updated family code, the establishment of a political party law, and the new nationality code. He also paid special tribute to the work of Morocco's security services in securing the country's safety. He singled out progress in treatment of the Amazigh (Berbers) during his tenure as an example of official policies that respect Morocco's multi-cultural and multi-ethnic composition. Statements of homage to Royal initiatives and the king's strategic vision were prominent in Jettou's remarks.

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But Still Progress To Be Made  
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¶ 15. (SBU) While praising past efforts, Jettou was pragmatic about his government's shortcomings, noting the lethargic pace of activity on many key social issues. Jettou emphasized the need to increase action in the education, agriculture, health, and justice fields. He focused on the need for pension reform, noting that the 11 billion Dirham (\$1.35 billion) pension fund deficit must be covered, and that an effective safety net for retirees must be created. He also underscored the importance of the government's battle against corruption, conceding that the low level variety remains widespread and has been difficult to combat.

¶ 16. (SBU) Jettou recognized that increased development places added pressure on resources and the environment. While touting his government's work in those areas, he called for further strategic policies to promote effective stewardship and resource availability in the future. He said the resolution of issues around energy and water is fundamental to the realization of long-term stability and growth. He called for greater economic cooperation with Spain and the EU in this regard.

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Western Sahara: End To An Artificial Conflict?  
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¶ 17. (SBU) On the Western Sahara, dubbed by Jettou as "the priority of priorities," he commended the (Royal) Moroccan Initiative. Jettou confirmed Morocco's will to find a "final solution to this artificial conflict." Jettou also used the occasion to recognize members of the security apparatus for their hard work and sacrifices in the "defense of Morocco's territorial integrity."

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Many Embrace the Speech, Others More Critical  
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¶ 18. (SBU) Jettou's valediction was generally well received. Predictably, political parties in the majority welcomed the remarks. Businessmen applauded the government's successes, but recognized the need for the next legislature to accelerate the pace of reform to take full advantage of Morocco's economic potential. A respected business newspaper said, "the record of work accomplished by five parties with opposing political tendencies, under the direction of a non-partisan Prime Minister, must be applauded." Yet, one union representative groused to the press that Jettou cherry-picked statistics that show his government in a favorable light.

¶ 19. (SBU) Some observers found the government's lack of concrete steps to improve agricultural conditions particularly egregious, given this year's poor harvest and drought. Milouda Hazeb, Deputy Secretary General of the (opposition) National Democratic Party (PND), expressed concern in the press that a large number of MPs did not attend the special session with the Prime Minister, instead choosing to attend local government meetings. Additionally, some MPs in attendance were seen yawning and reading newspapers in the parliamentary chamber, according to local press accounts.

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Parliament Weighs In  
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¶ 10. (SBU) Opposition groups, particularly the PJD, were critical of the overall rosy picture Jettou painted of his tenure. Lahcen Daoudi, an economist and PJD parliamentarian, scoffed publicly that the speech contained "promises but no solutions" and pledged that the PJD will deliver a "real" assessment to Parliament. He pointed to the GOM's inability to reduce the trade deficit by 50% and said that the increase

in unemployment rates for college graduates was a significant sign of the government's failures. Members of other opposition parties also focused on economic issues in comments to the media. Abderrahmane El Mtioui, head of the Democratic Constitutional Group, said the high cost of basic goods decreased citizens' buying power, which led to other social problems.

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Comment  
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¶11. (C) While partisan bickering over the Prime Minister's presentation was an inevitable, and indeed salutary, part of the free and open democratic political debate surrounding the event, the overall verdict on Jetou's tenure is positive. Much has been accomplished over the last five years to strengthen Morocco's economy and advance the country's nascent political reforms. Torture is now illegal. Dismissals related to corruption and other forms of malfeasance show that systems of accountability are beginning to grow teeth. Key Ministers such as Interior and Finance have clearly stated their intolerance of governmental corruption. Foreign investment at the upper levels of the economy is growing.

¶12. (C) At the same time, as Jetou conceded, much remains to be done. Low level corruption and bribery remain a significant obstacle to small business development and low-to-mid level foreign investment. Reports of human rights abuses continue to emerge from Western Sahara. The synergistic threats of unemployment (or under-employment) and violent Islamic extremism have the potential to undermine or slow forward momentum.

¶13. (C) Within this context, continued USG support for Morocco remains important as the country transitions to a new government and continues its political, social and economic evolution. US policies that enable Morocco to build on Jetou's work through governmental and private sector channels will help solidify gains and enhance its ability to serve as a democratic regional ally and partner. End Comment.

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